

FINANCIAL STATEMENTS – CASH BASIS AND
SUPPLEMENTAL INFORMATION

Lucas County Family and Children First Council
Year Ended December 31, 2005



**Auditor of State
Betty Montgomery**

Council Members
Lucas County Family and Children First Council
One Government Center, Suite 580
Toledo, Ohio 43604-2249

We have reviewed the *Report of Independent Auditors* of the Lucas County Family and Children First Council, prepared by Ernst & Young LLP, for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lucas County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 2, 2006

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Lucas County Family and Children First Council

Financial Statements – Cash Basis and Supplemental Information

Year Ended December 31, 2005

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Report of Independent Auditors on Basic Financial Statements and Schedule of Expenditures on Federal Awards

The Lucas County Family and Children First Council
Toledo, Ohio

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lucas County Family and Children First Council, Lucas County, (the Council), as of and for the year ended December 31, 2005, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Council's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, these financial statements and notes have been prepared on the basis of cash receipts and disbursements, which is a comprehensive accounting basis other than accounting principles generally accepted in the United States.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Council, as of December 31, 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General, and Special Revenue Funds thereof for the year then ended in conformity with the basis of accounting described in Note 2.

For the year ended December 31, 2005, the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2006 on our consideration of the Council's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries to management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Council's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2005, is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



June 23, 2006

Lucas County Family and Children First Council Management's Discussion and Analysis

Year Ended December 31, 2005

This discussion and analysis of the Lucas County Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2005, within the limitations of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

Financial Highlights

Key highlights for 2005 are as follows:

- Total net assets decreased \$360,099 during fiscal year 2005, which represents a 67% decrease from fiscal year 2004.
 - o Most of the decrease is due to the Council's restricted funds decreasing. Restricted fund net assets decreased by \$267,571. This decrease was a result of the planned use of additional funds from the Cluster fund balance as the Council sought to expand the number of children and youth served and reduce the funds balance as directed by the Pooled Fund executives. The decrease is also due to the timing of funds received from the Ohio Department of Health (ODH) to support the State of Ohio's Help Me Grow Part C program due to special conditions on the grant application delaying the receipt of State fiscal year 2006 funds.
 - o Additionally, the decrease in the restricted funds can be accounted for, in part, by the fact that almost all of the major contracts such as Help Me Grow, Help Me Grow and Learn, and the Wellness program are on a reimbursement basis. Over the past year the Council has greatly improved the turnaround time in paying the providers, however there has been little change in the timing of reimbursements, resulting in a declining cash balance in the current year.
 - o The Council's general fund net assets decreased by \$92,528 and was primarily the result of additional agreements that were not recouped until after December 31, 2006, 2003, and 2004 audit costs, which were not included in the budget.
- The Council's revenues are from support from the Federal government, including TANF, Title V, and Part C funds; State general revenue funds; local Pooled fund contributions including funding from United Way and training fees. These receipts are 100% of the Council's revenues.
 - o The Ohio Family and Children First Council provided \$20,000 in support of general fund operations through the State Administrative Grant.

Lucas County Family and Children First Council

Management's Discussion and Analysis (continued)

- o The Ohio Department of Health provided \$515,092 in federal Part C and \$468,878 in state general funds for the Help Me Grow program.
- o The Lucas County Department of Job and Family Services provided \$148,696 in federal TANF funds for the Help Me Grow and Learn program, \$52,607 for the Bridges out of Poverty Training program, and \$523,598 to support the Wellness Program.
- o The Ohio Department of Job and Family Services provided \$1,907,241 in federal TANF funds (passed through the Lucas County Department of Job and Family Services) for the Help Me Grow program.

Lucas County Family and Children First Council
Management's Discussion and Analysis (continued)

Overview of the Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements, and changes in cash basis fund balances report the Council's cash position and the changes in cash position by major fund. The statements of cash receipts, disbursements, and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. The Council has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Lucas County Family and Children First Council

Management's Discussion and Analysis (continued)

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Council did financially during 2005, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2005.

Table 1 provides a summary of the Council's net assets for 2005 compared to 2004 on a cash basis:

**Table 1
Net Assets**

	December 31	
	2005	2004
Assets		
Cash and cash equivalents	\$ 108,038	\$ 540,137
Total assets	<u>\$ 108,038</u>	<u>\$ 540,137</u>
Net assets		
Unrestricted	\$ 62,369	\$ 154,897
Restricted	117,669	385,240
	<u>\$ 180,038</u>	<u>\$ 540,137</u>

As mentioned previously, net assets decreased \$360,099 or 67% during 2005. The primary reason for this decrease is specific to the planned use of additional funds from the Cluster fund balance as the Council sought to expand the number of children and youth served and the timing of funds received from the Ohio Department of Health (ODH) to support the State of Ohio's Help Me Grow Part C program.

Lucas County Family and Children First Council

Management's Discussion and Analysis (continued)

Table 2 reflects the changes in net fund balances during 2005. Since the Council did not prepare financial statements in this format for 2004, a comparative analysis has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Table 2
Change in Net Fund Balances

	Year Ended December 31, 2005
Receipts	
Intergovernmental	\$ 4,578,424
Miscellaneous	56,111
Total receipts	<u>4,634,535</u>
Disbursements	
Salary and benefits	493,426
Supplies	8,224
Equipment	20,944
Contract services	3,997,806
Training	15,815
Telephones	6,059
Administrative charges	259,612
Other	192,748
Total disbursements	<u>4,994,634</u>
Excess receipts under disbursements	(360,099)
Fund balances, beginning of year	<u>540,137</u>
Fund balances, end of year	<u><u>\$ 180,038</u></u>

Intergovernmental revenue represented 99% of total receipts and is primarily comprised of federal, state, and county government receipts. The largest category of disbursements were for specific restricted grant services provided to support the Help Me Grow and Wellness programs through contractors in the community.

Lucas County Family and Children First Council

Management's Discussion and Analysis (continued)

These statements report the Council's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, these changes are one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of whether the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, other nonfinancial factors should be considered as well as the condition of the Council's capital assets and infrastructure, the extent of the Council's reliance on nonlocal financial resources for operations and the need for continued growth in other local revenue sources.

Capital Assets and Debt Administration

The Council has no capital assets and no debt.

Budgetary Highlights

The Council's 2005 financial statements include budgetary statements for the General, Help Me Grow (HMG) and Wellness funds. The Council made no revisions to the original appropriations. The variances between the budget and actual results were spread over numerous line items in the funds as discussed in Note 6.

Request for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Kontur, Executive Director, Lucas County Office of Family and Children First, One Government Center Suite 580, Toledo, Ohio 43604.

Lucas County Family and Children First Council

Statement of Net Assets – Cash Basis

December 31, 2005

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 180,038
Total assets	<u>\$ 180,038</u>
Net assets	
Unrestricted (General)	\$ 62,369
Restricted (Special Revenue)	117,669
Total net assets	<u>\$ 180,038</u>

See accompanying notes.

Lucas County Family and Children First Council

Statement of Activities – Cash Basis

Year Ended December 31, 2005

	Cash	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Governmental Activities
Governmental activities			
General government	\$ 413,725	\$ 279,522	\$ (134,203)
Social services	4,580,909	4,313,338	(267,571)
Total governmental activities	<u>\$ 4,994,634</u>	<u>\$ 4,592,860</u>	(401,774)
General receipts			
Miscellaneous			<u>41,675</u>
Total general receipts			<u>41,675</u>
Changes in net assets			(360,099)
Net assets beginning of year			<u>540,137</u>
Net assets end of year			<u>\$ 180,038</u>

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Basis Assets and Fund Balances –
Governmental Funds

December 31, 2005

	General	Help Me Grow (HMG)	Cluster (Pooled Funds)	Other Restricted	Wellness	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 62,369	\$ (462,573)	\$ 741,092	\$ (11,229)	\$ (149,621)	\$ 180,038
Total assets	<u>\$ 62,369</u>	<u>\$ (462,573)</u>	<u>\$ 741,092</u>	<u>\$ (11,229)</u>	<u>\$ (149,621)</u>	<u>\$ 180,038</u>
Fund balances						
Unreserved:						
General fund	\$ 62,369	\$ -	\$ -	\$ -	\$ -	\$ 62,369
Special revenue	-	(462,573)	741,092	(11,229)	(149,621)	117,669
Total fund balances	<u>\$ 62,369</u>	<u>\$ (462,573)</u>	<u>\$ 741,092</u>	<u>\$ (11,229)</u>	<u>\$ (149,621)</u>	<u>\$ 180,038</u>

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements,
and Changes in Cash Basis Fund Balances –
Governmental Funds

Year Ended December 31, 2005

	General	Help Me Grow (HMG)	Cluster (Pooled Funds)	Other Restricted	Wellness	Total Governmental Funds
Receipts						
Intergovernmental	\$ 279,522	\$2,681,292	\$ 893,822	\$ 193,910	\$ 529,878	\$4,578,424
Miscellaneous	41,675	–	9,336	5,100	–	56,111
Total receipts	321,197	2,681,292	903,158	199,010	529,878	4,634,535
Disbursements						
Salary and benefits	216,765	98,050	114,618	63,993	–	493,426
Supplies	8,013	119	–	92	–	8,224
Equipment	11,184	4,905	3,188	–	1,667	20,944
Contract services	93,723	2,578,556	826,276	34,917	464,334	3,997,806
Training	5,286	2,114	4,254	3,486	675	15,815
Telephones	2,966	1,180	895	793	225	6,059
Administrative charges	–	163,214	52,621	–	43,777	259,612
Other	75,788	35,560	1,913	66,477	13,010	192,748
Total disbursements	413,725	2,883,698	1,003,765	169,758	523,688	4,994,634
Change in fund balances	(92,528)	(202,406)	(100,607)	29,252	6,190	(360,099)
Fund balances beginning of year	154,897	(260,167)	841,699	(40,481)	(155,811)	540,137
Fund balances end of year	\$ 62,369	\$ (462,573)	\$ 741,092	\$ (11,229)	\$ (149,621)	\$ 180,038

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements, and Changes in
Cash-Basis Fund Balances – Budget and Actual – Budget Basis –
General Fund

Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Admin charges	\$ 374,582	\$ 374,582	\$ 279,522	\$ (95,060)
Miscellaneous	–	–	41,675	41,675
Total receipts	374,582	374,582	321,197	(53,385)
Disbursements				
Salary and benefits	238,440	238,440	216,765	21,675
Supplies	12,500	12,500	8,013	4,487
Equipment	10,000	10,000	11,184	(1,184)
Contract services	62,000	62,000	93,723	(31,723)
Training	6,500	6,500	5,286	1,214
Telephones	3,000	3,000	2,966	34
Other	33,500	33,500	75,788	(42,288)
Total disbursements	365,940	365,940	413,725	(47,785)
Receipts over disbursements	8,642	8,642	(92,528)	(101,170)
Fund balances beginning of year	154,897	154,897	154,897	–
Fund balances end of year	<u>\$ 163,539</u>	<u>\$ 163,539</u>	<u>\$ 62,369</u>	<u>\$ (101,170)</u>

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements, and Changes in
Cash-Basis Fund Balances – Budget and Actual – Budget Basis
Help Me Grow (HMG)

Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 2,992,372	\$ 2,992,372	\$ 2,681,292	\$ (311,080)
Total receipts	2,992,372	2,992,372	2,681,292	(311,080)
Disbursements				
Salary and benefits	125,182	125,182	98,050	27,132
Admin charges	224,428	224,428	163,214	61,214
Supplies	3,600	3,600	119	3,481
Equipment	3,150	3,150	4,905	(1,755)
Contract services	2,627,357	2,627,357	2,578,556	48,801
Training	3,500	3,500	2,114	1,386
Telephones	1,655	1,655	1,180	475
Other	3,000	3,000	35,560	(32,560)
Total disbursements	2,991,872	2,991,872	2,883,698	108,174
Receiptsover (under) disbursements	500	500	(202,406)	(202,906)
Fund balances beginning of year	(260,167)	(260,167)	(260,167)	-
Fund balances end of year	\$ (259,667)	\$ (259,667)	\$ (462,573)	\$ (202,906)

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements, and Changes in
Cash-Basis Fund Balances – Budget and Actual – Budget Basis –
Cluster

Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 861,600	\$ 861,600	\$ 893,822	\$ 32,222
Miscellaneous	1,000	1,000	9,336	8,336
Total receipts	862,600	862,600	903,158	40,558
Disbursements				
Salary and benefits	118,642	118,642	114,618	4,024
Admin Charges	59,036	59,036	52,621	6,415
Equipment	1,500	1,500	3,188	(1,688)
Contract Services	1,050,000	1,050,000	826,276	223,724
Training	6,025	6,025	4,254	1,771
Telephones	1,350	1,350	895	455
Other	2,000	2,000	1,913	87
Total disbursements	1,238,553	1,238,553	1,003,765	234,788
Receipts (under) disbursements	(375,953)	(375,953)	(100,607)	(275,346)
Fund balances beginning of year	841,699	841,699	841,699	–
Fund balances end of year	\$ 465,746	\$ 465,746	\$ 741,092	\$ (275,346)

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements, and Changes in
Cash-Basis Fund Balances – Budget and Actual – Budget Basis
Other Fund

Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 178,481	\$ 178,481	\$ 193,910	\$ 15,429
Miscellaneous	3,500	3,500	5,100	1,600
Total receipts	181,981	181,981	199,010	17,029
Disbursements				
Salary and benefits	65,601	65,601	63,993	1,608
Admin charges	5,200	5,200	–	5,200
Supplies	–	–	92	(92)
Equipment	2,000	2,000	–	2,000
Contract services	36,981	36,981	34,917	2,064
Training	3,500	3,500	3,486	14
Telephones	1,300	1,300	793	507
Other	6,000	6,000	66,477	(60,477)
Total disbursements	120,582	120,582	169,758	(49,176)
Receipts over (under) disbursements	61,399	61,399	29,252	(32,147)
Fund balances beginning of year	(40,481)	(40,481)	(40,481)	–
Fund balances end of year	\$ 20,918	\$ 20,918	\$ (11,229)	\$ (32,147)

See accompanying notes.

Lucas County Family and Children First Council

Statement of Cash Receipts, Disbursements, and Changes in
Cash-Basis Fund Balances – Budget and Actual – Budget Basis –
Wellness Fund

Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 480,893	\$ 480,893	\$ 529,878	\$ 48,985
Total receipts	480,893	480,893	529,878	48,985
Disbursements				
Admin charges	32,418	32,418	43,777	(11,359)
Equipment	–	–	1,667	(1,667)
Contract services	439,475	439,475	464,334	(24,859)
Training	–	–	675	(675)
Telephones	–	–	225	(225)
Other	9,000	9,000	13,010	(4,010)
Total disbursements	480,893	480,893	523,688	(42,795)
Receipts over disbursements	–	–	6,190	6,190
Fund balances beginning of year	(155,811)	(155,811)	(155,811)	–
Fund balances end of year	\$ (155,811)	\$ (155,811)	\$ (149,621)	\$ 6,190

See accompanying notes.

Lucas County Family and Children First Council

Notes to the Financial Statements

December 31, 2005

1. Description of the Council and Reporting Entity

Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. Statutory membership of a county consists of the following individuals:

- The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- The health commissioner of the board of health of each city or general health Council in the county, or their designees;
- The director of the county department of human services;
- The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- The superintendent of the county board of mental retardation and developmental disabilities;
- The county's juvenile court judge senior in service;
- The superintendent of the city, exempted village, or local school Council with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- A school superintendent representing all other school Councils with territory in the county, as designated at a biennial meeting of the superintendents of those Councils;
- A representative of the largest city in the county;
- The chair of the board of county commissioners, or an individual designated by the board;
- A representative of the regional office of the department of youth services;

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

1. Description of the Council and Reporting Entity (continued)

- A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the Education of the Handicapped Act Amendments of 1986;
- At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to 20% of the Council's remaining membership.

The Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

The Council's statutory responsibilities include the following:

- Refer to the cabinet council those children for whom the council cannot provide adequate services;
- Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- Participate in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- Maintain an accountability system to monitor the Council's progress in achieving its purposes;

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

1. Description of the Council and Reporting Entity (continued)

- Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

The Council was established in April 1993 as one of the pilot sites of the Ohio Family and Children First Initiative. The Council is a collaborative effort focused on improving outcomes for the children and families of Lucas County. The mission of the Council is “to coordinate a publicly accountable, cost effective system of services that supports health, education, and well being of our families.”

Council

The Council’s membership includes all members specified by Ohio Revised Code 121.37, as well as additional at large members, including family representatives, advocates, community leaders, service providers, and religious and union leaders. At large members serve a maximum of two successive three year terms. The purpose of the Council is to identify and support the implementation of ways which the child serving systems can provide services in a coordinated and collaborative manner that results in the efficient and effective provisions of services for the community’s families.

Children’s Cluster

Through the Children’s Cluster, the Council provides service coordination and fiscal management to ensure that children and youth who have multi-system service needs, and their families receive essential services. Cluster representatives, at both the Executive Cluster and Services Team levels, reflect the Ohio Revised Code membership requirements. Five Cluster member systems, the Pooled Fund Group, pool funds dedicated to the funding of services for children and youth identified as eligible through the Cluster process. The primary source of revenue for operations consist of Local Agency Contributions. These are local monies contributed by Lucas County agencies, including Children Services Board, Mental Health Board, Board of Mental Retardation and Developmental Disabilities, Juvenile Court, Alcohol and Drug Addiction Services Board, Toledo Public Schools, Department of Youth Services, Department of Job and Family Services and the United Way of Greater Toledo. The amount provided by each agency is based on the annual budget and the amount of funding needed to fulfill obligations.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

1. Description of the Council and Reporting Entity (continued)

Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides various services including human, social, health, and educational services to families and children. The Council, the Executive Committee, and the Executive Director have direct responsibility for these activities.

2. Summary of Significant Accounting Policies

Basis of Presentation

These financial statements follow the basis of accounting the Auditor of State prescribes or permits.

The Council's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the council as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Council, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Council.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Fund Financial Statements

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council utilizes the governmental category of funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

Help Me Grow (HMG) Fund – The Help Me Grow (HMG) Fund is used to account for revenue received and expended from Federal and State funding to support Help Me Grow and Help Me Grow and Learn programs.

Cluster (Pooled Funds) – The Cluster Fund is used to account for revenue received from local Pooled Funding Agencies, including Lucas County Board of Mental Health, Lucas County Children Services, Lucas County Juvenile Court, Lucas County Board of Mental Retardation and Developmental Disabilities, Lucas County Alcohol and Drug Addiction Services Board, and Toledo Public Schools and expended for youth referred for intersystem coordination of services.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Wellness Fund – The Wellness Fund is used to account for revenue received and expended from Federal TANF grant monies.

Administrative and Fiscal Agent

The Lucas County Board of Commissioners serves as the administrative and fiscal agent for the Council. The funds are maintained in a separate agency fund by the Lucas County Auditor.

Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

Basis of Accounting

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Cash

As required by Ohio Revised Code, the Lucas County (the County) Treasurer is custodian for the Council's cash. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

Net Assets

These statements report restricted net assets when enabling legislation or creditors, grantors or laws, or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Council must annually file a budget with its administrative agent. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Executive Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as liability under the basis of accounting the Council uses.

3. Change in Accounting Principle

For the year ended December 31, 2005, the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

4. Cash and Cash Equivalents

The Lucas County Commissioners maintain a cash pool used by all of the County’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. At year end, the carrying amount of the Council’s deposits with the Lucas County Commissioners was \$180,038. The Lucas County Board of Commissioners is responsible for maintaining adequate depositor collateral for all funds in the County’s pooled cash and deposit accounts.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

5. Contractual Commitments

At December 31, 2005, the Council had \$1,262,984 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants, whose funding follows the State fiscal year of July 1 through June 30 rather than a calendar fiscal year.

Connecting Point	\$ 163,315
Planned Parenthood of NW Ohio	121,665
Harbor Behavioral Healthcare	120,071
UMADAOP	118,664
Lucas County Board of Mental Retardation and Developmental Disabilities	101,031
YMCA of Greater Toledo	83,659
St. Vincent Mercy Medical Center	79,365
Collaborative Network of Lucas County	75,353
Lutheran Social Services of NW Ohio	65,751
East Toledo Family Center	63,236
Friendly Neighborhood Center	45,584
YWCA of Greater Toledo	42,449
Toledo Children's Hospital	43,389
Family and Child Abuse Prevention Center	40,610
Aurora Gonzalez Community Center	35,554
Friendship New Vision	31,000
Adelante, Inc.	15,558
Toledo Lucas County Health Department	8,208
SONIT, Inc.	4,854
Seagate Foodbank	3,668
	<u>\$ 1,262,984</u>

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

6. Amendments to Original Appropriations Budget

The Council made no revisions to the original appropriations. The variances between the budget and actual results by fund are as follows:

General Fund – Administrative charges revenue was \$95,060 less than budget due to the lag time in receiving reimbursements from the United Way of Greater Toledo and the Job and Family Services for expenditures in 2005. Contract services disbursements were over budget by \$31,723 due to a request by the United Way of Greater Toledo for changes to be made to the Council's system in order to allow greater flexibility of the systems user and reporting functions. Other disbursements were over budget by \$42,288 as 2003 and 2004 audit fees and the 2005 administrative agent fees were not built into the budget.

Help Me Grow Fund – Intergovernmental receipts revenue was \$311,080 less than budget due to the lag time on reimbursements from the Ohio Department of Health for the Part C funds and the Lucas County Department of Job and Family Services for TANF reimbursements for 2005 expenditures. Other disbursements were over budget by \$32,560 as the Lucas County Department of Job and Family Services allowed the Council to utilize the TANF funds not used by providers on their contracts at the end of the State fiscal year to fund the costs of the transition to the PIPE Curriculum, which included travel, training, and supporting material costs.

Wellness Fund – Total disbursements were over budget by \$42,795 as the Council was notified in May of 2005 that the Lucas County Department of Job and Family Services increased their commitment to Teen Pregnancy Prevention in Lucas County and therefore increased their funding. This additional funding allowed the Council to perform more services.

Other Funds – Total other disbursements were over budget by \$60,477 relating to the Bridges out of Poverty training project and unbudgeted expenses made in an initial search for an Alliance Coordinator.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

7. Risk Management

The Council is covered under the County's insurance policies. The County is self funded for dental, prescription drug, and health benefits. The Council is charged for its proportionate share of the cost for covered employees. The County accounts for its risk management activities in Internal Service funds.

For the workers' compensation program, the County pays premiums to the State Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. In addition, the Fund pays assessments to the Bureau of Workers' Compensation for administration and payment of claims. For all of the County's insurance programs, settled claims have not materially exceeded commercial coverage in any of the past three years.

8. Pension Obligations

The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans as described below:

- *The Traditional Pension Plan* – a cost sharing, multiple-employer defined benefit pension plan.
- *The Member-Directed Plan* – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- *The Combined Plan* – cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member- Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

8. Pension Obligations (continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2005 member and employer contribution rates were consistent across all three plans.

Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The 2005 member contribution rates were 8.5% for members in classifications other than law enforcement and public safety. The 2005 employer contribution rate for local government employer units was 13.55% of covered payroll.

The Council's contributions for pension obligations to the traditional, combined, and member directed plans for the year ended December 31, 2005 was \$44,964. Of this amount, 92% has been contributed for 2005 with the remaining 8%, which is the December 2005 employer match, to be paid in January 2006.

9. Postemployment Benefits Other Than Pension Benefits

In addition to pension benefits, OPERS provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in Government Accounting Standards Board (GASB) Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4% of covered payroll was the portion that was used to fund health care.

The following assumptions and calculations were based on PERS latest actuarial review performed as of December 31, 2004.

Lucas County Family and Children First Council

Notes to the Financial Statements (continued)

9. Postemployment Benefits Other Than Pension Benefits (continued)

An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The differences between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2004 was 8%.

An annual increase of 4% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next eight years. In subsequent years (nine and beyond), health care costs were assumed to increase 4% annually.

OPEB's are advance-funded on an actuarially determined basis. At December 31, 2005, the number of active contributing participants in the traditional and combined plans was 376,109. The rates stated above are the actuarially determined contribution requirements for OPERS. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective on January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Lucas County Family and Children First Council

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2005

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
United States Department of Education			
<i>Pass-Through Ohio Department of Health</i>			
Special Education – Grants for Infants and Families With Disabilities (Help Me Grow – Part C)	84.181	(1)	\$ 515,092
Total United States Department of Education			<u>515,092</u>
United States Department of Health and Human Services			
<i>Pass-Through Lucas County Department of Job and Family Services</i>			
Temporary Assistance to Needy Families (TANF):			
Help Me Grow Program	93.558	(1)	1,907,241
Help Me Grow and Learn Program	93.558	(1)	148,696
Bridges out of Poverty Training Project	93.558	(1)	52,607
Wellness Program	93.558	(1)	<u>523,598</u>
Total Temporary Assistance for Needy Families			<u>2,632,142</u>
Total United States Department of Health and Human Services			<u>2,632,142</u>
U.S. Department of Justice			
<i>Pass-Through Ohio Department of Youth Services:</i>			
Juvenile Justice and Delinquency Prevention- Allocation to States	16.540	(1)	34,917
Total Federal Expenditures			<u>\$ 3,182,151</u>

(1) No pass-through entity identifying number is available for this program.

See accompanying notes.

Lucas County Family and Children First Council

Notes to Schedule of Expenditures of Federal Awards

December 31, 2005

Note A. Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Council and is presented using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the financial statements.

Note B. Subrecipients

The Council passed-through \$2,749,870 of Federal assistance received from the Ohio Department of Health and the Ohio Department of Jobs and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Council records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under Federal Circular A-133, the Council is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

Report of Independent Auditors on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards*

The Lucas County Family and Children First Council
Toledo, Ohio

We have audited the basic financial statements of the governmental activities and each major fund of the Lucas County Family and Children First Council (the Council) as of and for the year ended December 31, 2005, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 23, 2006, wherein we noted that the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assuring about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct, and material affect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Council in a separate letter dated June 23, 2006.

This report is intended solely for the information and use of the Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



June 23, 2006

Report of Independent Auditors on Compliance and Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in Accordance With OMB Circular A-133

The Lucas County Family and Children First Council
Toledo, Ohio

Compliance

We have audited the compliance of the Lucas County Family and Children First Council (the Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable apply to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material affect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



June 23, 2006

Lucas County Family and Children First Council

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of auditor’s report issued:

Unqualified

Yes No

Internal control over financial reporting:

Material weakness(es) identified?

X

Reportable condition(s) identified that are not considered to be material weaknesses?

None reported

Noncompliance material to financial statements noted?

X

Federal Awards Section

Yes No

Internal control over major programs:

Material weakness(es) identified?

X

Reportable condition(s) identified that are not considered to be material weaknesses?

None reported

Type of auditor’s report issued on compliance for major programs:

Unqualified

Yes No

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510(a))?

X

Lucas County Family and Children First Council
 Schedule of Findings and Questioned Costs (continued)

Part I – Summary of Auditor’s Results (continued)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.181	Special Education Grants- Infants and Families with Disabilities
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes	No
	X

Part II – Financial Statement Findings Section

This section identifies the reportable conditions, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

None.

Part III – Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, reportable conditions, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program. Where practical, findings should be organized by federal agency or pass-through entity.

None.



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FAMILY AND CHILDREN FIRST COUNCIL

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 14, 2006**